

## References

- [1] Alan Marcus. *Analysis of the Navy 's Commercial Activities Program*, Jul 1993 (CNA Research Memorandum 92-226)
- [2] Carla E. Tighe et al. *Outsourcing Opportunities for the Navy*, Apr 1996 (CNA Research Memorandum 95-224)
- [3] John D. Keenan et al. *Issues Concerning the Public and Private Provision of Depot Maintenance*, Apr 1994 (CNA Research Memorandum 94-65)
- [4] E.S. Savas. "Privatization and Productivity." In Marc Holzer (ed.), *Public Productivity Handbook*. New York: Marcel Dekker, Inc. 1992
- [5] Matthew R. H. Uttley. "Competition in the Provision of Defense Support Services: the UK Experience." *Defense Analysis*, Vol. 9, no. 3, 1993
- [6] Carla Tighe et al. *A Privatization Primer: Issues and Evidence*, Oct 1996 (CNA Research Memorandum 96-123)
- [7] Angela L. King, Angela M. Rademacher, and R. Derek Trunkey. *An Examination of the DoD Commercial Activities (CA) Inventory Data*, Nov 1996 (CNA Information Memorandum 471)
- [8] Angela Rademacher, Christine H. Baxter and R. Derek Trunkey. *An Examination of the DoD Commercial Activities (CA) Competition Data*, Nov 1996 (CNA Information Memorandum 472)
- [9] R. Derek Trunkey. "Potential Savings from Commercial Activities (CA) Competitions in DoD", 27 Nov 1996 (CNA Memorandum 96-1720)

- [10] *Working Smart: Winning with the Commercial Activities Program*, U.S. Army Commercial Activities Management Agency, Nov 1989.
- [11] *OMB Circular A-76, Supplemental Handbook, Performance of Commercial Activities*, Executive Office of the President, Office of Management and Budget, Aug 1983.
- [12] DoD Instruction 4100.33, "Commercial Activities Program Procedures," 9 September 1985
- [13] DoD Directive 4100.15, "Commercial Activities Program," 10 March 1989
- [14] OPNAV Instruction 4860.7, *Commercial Activities*, Jul 1989
- [15] Carla E. Tighe, R. Derek Trunkey, and Samuel D. Kleinman. *Implementing A-76 Competitions*, May 1996 (CNA Annotated Briefing 96-24)
- [16] Jean-Jacques Laffont and Jean Tirole. *A Theory of Incentives in Regulation and Procurement*. Cambridge, MA: MIT Press, 1993
- [17] William H. Greene. LIMDEP, Version 7.0, User's Manual, Econometric Software, Inc., 1995
- [18] William H. Greene. *Econometric Analysis*, second Edition, Macmillan Publishing Company, New York, 1993.
- [19] G. S. Maddala. *Limited-Dependent and Qualitative Variables in Econometrics*, Cambridge University Press, Cambridge, 1983
- [20] G. S. Maddala. *Introduction to Econometrics*, second edition, Macmillan Publishing Co., New York, 1992.
- [21] James Tobin. "Estimation of Relationships for Limited Dependent variables." *Econometrica*, Vol. 26, pp. 24-36, 1958

## List of figures

Figure 1. The comprehensive A-76 competition process . . .	7
Figure 2. Differences in bids between in-house and lowest contractor . . . . .	10
Figure 3. Savings per billet over time in FY 1996 dollars . . .	14
Figure 4. Empirical model of A-76 competition savings . . . .	16



## List of tables

Table 1.	Summary of savings from A-76 competitions by military service. . . . .	9
Table 2.	Summary of savings from A-76 competitions by size . . . . .	11
Table 3.	Savings by size for single function studies . . . . .	12
Table 4.	Summary of savings from A-76 competitions by function group . . . . .	12
Table 5.	Probit 1: The probability of completion . . . . .	24
Table 6.	Probit 2: The probability that MEO = baseline . . . . .	26
Table 7.	Probit 3: The probability of contractor win given MEO = baseline . . . . .	29
Table 8.	Probit 4: The probability of contractor win given MEO < baseline . . . . .	32
Table 9.	C1: Savings when MEO = baseline and contractor won	35
Table 10.	C3: Savings when MEO < baseline and contractor won. . . . .	36
Table 11.	I2: Savings when the MEO < baseline and the in-house team won . . . . .	38
Table 12.	1995 DoD commercial activities inventory by military service over function groups. . . . .	41
Table 13.	Predicted annual savings for the 1995 CA inventory by function assuming all competitions are completed . . . . .	42

Table 14. Predicted annual savings for the 1995 CA inventory by reason previously given for not competing (also assuming all competitions are completed) . .	43
Table 15. Predicted annual savings from competing the 1995 CA inventory (historical completion rate) . . .	45

# **Distribution list**

Research Memorandum 96-63

SNDL

OPNAV

N4

N47

N46

N8

N80

N801E

N81

N81T

N812C6

N814

N814I

27 960063.00



12-31-96

